

March 25, 2009

S 916. TENANT SECURITY DEPOSIT/INTEREST-BEAR. ACCT. Filed 3/25/09. *PROVING THAT LANDLORDS SHALL DEPOSIT ALL TENANT SECURITY DEPOSITS IN AN INTEREST-BEARING TRUST ACCOUNT AND THE INTEREST SHALL BE REMITTED TO THE NORTH CAROLINA HOUSING TRUST FUND.*

Amends GS 42-50 to require that a security deposit from a tenant in a residential dwelling unit must be deposited in an interest-bearing trust account with a licensed and insured bank or savings institution located in the State of North Carolina. Eliminates option of landlord to instead furnish a bond from an insurance company or to hold the security deposits outside the State of North Carolina.

Amends GS 42-52 to require that a landlord direct the bank in which the tenant security deposit is located to remit interest or dividends, less deductions for bank service charges, fees, if any, and taxes collected with respect to the deposited funds at least quarterly to the North Carolina Housing Finance Agency. Bank fees and service charges only may be assessed against accrued interest and funds belonging to the landlord maintaining the account. Prohibits fees from wire service, insufficient funds, bad checks, stop payment orders, account reconciliation, negative collected balances, and check printing to be charged against the interest earned by a tenant security deposit trust account. Requires the landlord to direct the bank to remit certain other information to the North Carolina Housing Trust Fund and to the landlord maintaining the account. Specifies that any agreement between a landlord and a tenant that seeks to avoid the rights, obligations created by the Article is void as contrary to public policy.

Effective October 1, 2009.

Intro. by Dorsett.

GS 42